

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF PUERTO RICO

MED-AppComp1.wpd

In re

MEDSCI DIAGNOSTICS, INC.

Debtor

CASE NO. 10-04961 ESL

Chapter 11

APPLICATION OF EDGARDO MUÑOZ, PSC
AS ATTORNEYS FOR DEBTOR
FOR ALLOWANCE OF FEES AND EXPENSES
(COMPENSATION – PERIOD: 3/16/2010– 10/31/2010)

The law firm of **EDGARDO MUÑOZ, PSC**, (“Applicant” or the “Firm”), counsel for **debtor (“DIP”)**, makes its First Application for allowance of fees and reimbursement of expenses for the period of 3/16/2010– 10/31/2010 (the “Application”):

1. This Case began with the filing of a chapter 11 voluntary petition under Title 11 of the United States Code, 11 U.S.C. § 101, et seq., (the “Bankruptcy Code”) by the Debtor on 6/6/2010.
2. From case filing through this date the Debtor has operated its business as Debtor-in-Possession.
3. No Creditors Committee has been appointment.
4. On 6/8/2010, debtor filed the Application for Approval of Employment of EDGARDO MUÑOZ, PSC as its Attorney (docket no. 3)]. A copy of the Application for Employment of Attorney is attached as **Exhibit “A”**.
5. On 6/14/2010, this Court approved the employment of the Firm. (docket no. 8). A copy of the Order is attached as **Exhibit “B”**.
6. The Firm has rendered the services for which it was engaged during the period covered

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by this application, and seeks court approval for the compensation thereof. In compliance with the Guidelines for Reviewing Applications for Compensation & Reimbursement of Expenses filed under 11 U.S.C. §330 (Reprinted at 28 C.F.R. Part 58, Appendix), and published in http://www.justice.gov/ust/eo/rules_regulations/guidelines/docs/feeguide.htm Applicant sets forth the following information:

(1) Information about the Applicant and the Application.

(i) Date the bankruptcy petition was filed: 6/6/2010
date of the order approving employment: 6/14/2010;
identity of the party represented: debtor;
date services commenced: 3/16/2010;
whether the applicant is seeking compensation under a provision of the
Bankruptcy Code other than section 330: NO

(ii) Terms and conditions of employment and compensation: . . . HOURLY BASIS
source of compensation: Debtor/estate funds
existence and terms controlling use of a retainer: \$10,000
EARNED UPON SERVICES RENDERED AND COURT APPROVAL
budgetary or other limitations on fees: NONE (other the Code's)

(iii) Names and hourly rates: E. MUNOZ (\$275)

explanation of any changes in hourly rates NONE

Applicant affirms that the compensation is based on the customary compensation charged by comparably skilled practitioners in cases other than cases under title 11.

(iv) Whether the application is interim or final interim

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Information regarding previous orders on interim compensation: (NONE)

date N-A

amounts requested N-A

amounts allowed or disallowed N-A

amounts of all previous payments N-A

amount of any allowed fees and expenses remaining unpaid N-A

(v) The person on whose behalf the applicant is employed has been given the opportunity to review the application and does not object to the requested amount.

(vi) Whether the application is filed

less than 120 days after the order for relief NO.

or after a prior application to the Court,

the date N-A

terms of the order allowing leave to file at shortened intervals : N-A

(vii) Time period of the services or expenses covered by the application.

. 3/16/2010– 10/31/2010

(2) Case Status:

(i) In a chapter 11 case,

whether a plan and disclosure statement have been filed NO

if not yet filed, when the plan and disclosure statement are expected to be filed . . .

. By January 15, 2011

whether all quarterly fees have been paid YES

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(ii) The amount of cash on hand or on deposit \$175,097.09
(Per last MOR)

the amount and nature of accrued unpaid administrative expenses
(Per last MOR, trade and other operating expenses, \$82,934)

(3) Summary Sheet. Attached to this application (EXHIBIT D) contains a summary that provides a synopsis of the following information:

(i) Total compensation and expenses requested and any amount(s) previously requested;

(ii) Total compensation and expenses previously awarded by the court;

(iii) Name and applicable billing rate for each person who billed time during the period, and date of bar admission for each attorney;

(iv) Total hours billed and total amount of billing for each person who billed time during billing period; and

(v) Computation of blended hourly rate for persons who billed time during period, excluding paralegal or other paraprofessional time.

(4) Project Billing Format. Time and service entries in the attached STATEMENT OF SERVICES RENDERED (EXHIBIT C) are arranged by project categories. The project categories included therein are:

| <u>Category</u> | <u>Description</u> |
|-------------------------|--|
| 1) CASE ADMINISTRATION: | Coordination and compliance activities, including preparation of statement of financial affairs; schedules; list of contracts; United States Trustee |

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interim statements and operating reports; contacts with the United States Trustee; general creditor inquiries.

2) BUSINESS OPERATIONS:

Issues related to debtor-in-possession operating in chapter 11 such as employee, vendor, tenant issues and other similar problems.

3) CLAIMS ADMINISTRATION
AND OBJECTIONS:

Specific claim inquiries; bar date motions; analyses, objections and allowances of claims.

4) FEE/EMPLOYMENT APPLICATIONS:

Preparations of employment and fee applications for self or others; motions to establish interim procedures.

5) FINANCING:

Matters under §§ 361, 363 and 364 including cash collateral and secured claims; loan document analysis.

6) MEETINGS OF CREDITORS:

Preparing for and attending the conference of creditors, the § 341(a) meeting and other creditors' committee meetings.

7) PLAN AND DISCLOSURE STATEMENT

Formulation, presentation and confirmation; compliance with the plan confirmation order, related orders and rules; disbursement and case closing activities, except those related to the allowance and objections to allowance of claims.

(A) The Statement contains the information regarding a description of the project, its

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necessity and benefit to the estate;

(B) identification of each person providing services on the project; and

(C) a statement of the number of hours spent and the amount of compensation requested for each professional and paraprofessional on the project.

(iv) Time and service entries are reported in chronological order under the appropriate project category.

(v) Time entries were kept contemporaneously with the services rendered in time periods of tenths of an hour.

(vi) Spplicant has adhered to allowable rates for expenses as fixed by local rule:
RULE 2016-1: Application for Compensation of Professionals

ALLOWANCE OF FEES SOUGHT

7. By this Application, the Firm applies under Section 331 of Title 11 of the United States Code (the "Bankruptcy Code") for allowance of total fees in the amount of \$42,927.50, and expenses in the amount of \$1,094.70 ("Application").

8. The fees and expenses are broken down on Exhibit "C," which is attached to this Application and incorporated by reference. The time is broken into task categories; the list of expenses are sufficiently straightforward that the Firm does not believe that they need further breakdown. The firm has attested to the accuracy of the expenses incurred.

9. The Firm states, according to the requirements of section 504 of the Bankruptcy Code and Federal Rules of Bankruptcy Procedure 2016(a), that no agreement or understanding exists between the Firm and any other person for a sharing of compensation received or to be received for

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services rendered in or in connection with this chapter 11 case, nor shall the Firm share or agree to share the compensation paid or allowed from the Debtor's estate for such services with any other person.

10. No agreement or understanding prohibited by Section 155 of Title 18, United States Code has been or will be made by the Firm.

11. The source to be used to pay the Court approved fees and expenses, will be funds from the operations of debtor and/or sale of assets.

12. There are no agreements for the sharing of compensation received or to be received, except by partners of the Firm.

13. All services performed by the Firm for which payment is sought were performed in connection with the above-referenced chapter 11 proceeding and for no other matter.

14. Applicant does not and has not held or represented any interest adverse to the estate. It has been at all times a disinterested party.

15. No promises have been made regarding compensation to be paid to the Firm.

16. Applicant received a retainer of \$10,000.00 that is to be credited against the services and expenses included in this application.

WHEREFORE, the forgoing premises considered, Applicant respectfully requests that, after due notice, this Court approves the instant application for compensation in the amount of \$42,927.50 in fees and expenses in the amount of \$1,094.70 total of \$44,022.20; that debtor be authorized to disburse the allowed amount after deducting the retainer of \$10,000.00; and such other and further relief as is just.

NOTICE OF RESPONSE TIME – LBR 9013-1(h). Within 21 days after service as evidenced by the certification, and an additional three (3) days pursuant to Fed. R. Bank. P. 9006(f) if you were served by mail, any party against whom this paper has been served, or any other party to the action who

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objects to the relief sought herein, shall serve and file an objection or other appropriate response to this paper with the Clerk's office of the U.S. Bankruptcy Court for the District of Puerto Rico. If no objection or other response is filed within the time allowed herein, the paper will be deemed unopposed and may be granted unless: (i) the requested relief is forbidden by law; (ii) the requested relief is against public policy; or (iii) in the opinion of the Court, the interest of justice requires otherwise.

Dated: 9 November 2010

UNSWORN DECLARATION UNDER PENALTY OF PERJURY

In compliance with LOCAL RULE 2016-1, the undersigned certifies under penalty of perjury that:

- (A) I have read the foregoing Application subscribed by me and to the best of my knowledge and belief the information provided in said application for compensation and reimbursement of expenses and the accompanying statement of services rendered and expenses are true and correct, and have been filed in accordance with the United States Bankruptcy Court for the District of Puerto Rico's Guidelines for Compensation and Reimbursement of Expenses for Professionals and is being billed at rates and in accordance with practice no less favorable to the Debtor than those customarily utilized by Applicant generally.
- (B) To the best of the professional's knowledge, information and belief, formed after reasonable inquiry, the compensation and reimbursement of expenses sought conforms with the Bankruptcy Code, the Federal Rules of Bankruptcy Procedure, the United States Trustee Guidelines, and these LBRs;
- (C) the compensation and reimbursement of expenses requested are billed at rates no less favorable to the debtor/estate than those customarily employed by the applicant generally.
- (D) The Expenses for which reimbursement is sought are both actual and necessary.

/s/ **EDGARDO MUÑOZ**

CERTIFICATE OF SERVICE

I hereby certify that on this same date, I electronically filed the foregoing with the Clerk of the Court using the CM/ECF system, which will send notification of such filing to the Assistant US Trustee, and all participants of CM/ECF. Also, on this same date, a copy of this application was sent to the US Trustee's Office, Ochoa Bldg., Room 301, 500 Tanca Street, San Juan, Puerto Rico, and

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that a notice of this application was mailed to all parties in interest as per the court's master address list attached to the original of the Notice filed with the court. Those parties that wish to examine the Application may access the same from the court's web page (<https://ecf.prb.uscourts.gov>), or request a copy from the undersigned.

In San Juan, Puerto Rico, dated: 9 November 2010

EDGARDO MUÑOZ, PSC
attorney for debtor
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s/ EDGARDO MUÑOZ
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LIST OF EXHIBITS:

Exhibit A..... .Application for Employment of Attorney
Exhibit B..... . Order Approving Application for Employment
Exhibit C..... . Statement of the services rendered, and Expenses
Exhibit D..... . Fee Application Summary